

FOREIGN INTERESTS

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way of Tripoli and Haifa. There was a possibility that Syria might in the future come to be more important still to France; oil-prospecting had been going on in the Jazirah for some years, and in 1940 an agreement was concluded for the exploitation of oil discovered there between the Syrian Government and Petroleum Concessions (Syria and Lebanon) Ltd., a subsidiary of the Iraq Petroleum Company. 471
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One more economic factor which could not be left out of account was the immense cost to France of her occupation of Syria and Lebanon. There was first the expense involved in installing herself in Syria and Lebanon: her participation in the Eastern Campaign during the last war and her conflict with Faisal after it. Even more important than these were the expenses of the civil and military administration of the Mandate. According to an official estimate, By 1936 the Mandate had cost France 4,843 million francs, of which the military expenditure accounted for 4,300 millions and the civil for 543.¹ By Article 15 of the Mandate France was entitled, once an organic law had been framed, to ask the national Government to whom she was handing over responsibility for repayment of the expenses she had incurred in performing her duties as Mandatory Power. 648

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The primary strategic purposes which France hoped to fulfil by her presence in Syria and Lebanon were the maintenance of her position as a Mediterranean Power, on a level with Great Britain and Italy; the protection of her maritime and air routes to the Far East; and the defence of the oil pipe-line from Kirkuk to Tripoli, through which she derived a large proportion of the oil needed by her armed forces. None of these objects was capable of achievement by France alone, but only by France in conjunction with Great Britain, the dominant foreign Power in Egypt, Palestine and Iraq; the Levant States were only of first-class strategic value to France in so far as the possibility existed of a co-ordinated Franco-British strategy in the Eastern Mediterranean. Thus it was an essential French interest to pursue in the Levant a policy similar in the most important respects to that pursued by Great Britain; this was normally recognized by French

¹ G. Henry-Haye and Pierre Viénot, *Les Relations de la France et de la Syrie* (Centre D'Etudes de Politique Etrangère, Paris, 1939), p. 22.

STRUCTURE OF THE SYRIAN ECONOMY 9

Natural Resources

Land and water are undoubtedly the principal natural resources of 135
 Syria. Indications do not point to extensive mineral deposits. Some poor 315
 lignite but no coal has been found. A subsidiary of the Iraq Petroleum 316
 Company carried out extensive prospecting and drilling over a considerable area under a concession granted in 1938. After spending about £ 6 million sterling in exploratory work, it surrendered its concession in August 1951. Although the belief persists in Syria that considerable oil will one day be discovered, there is no evidence to support the supposition. Drilling did reveal the presence of natural gas in eastern Syria, south-west of Hassetché, and also of appreciable quantities of rock salt. In theory this gas, if proved in considerable volume, together with salt, could provide the raw materials for the production of fertilizers and alkalis, but other countries—for example Iraq—may well be more favorably situated with respect to the development of similar resources. The natural gas could also be used as a source of energy but it is unfortunately found at a considerable distance from the potential market in western Syria.

There are important deposits of bitumen or asphalt. One of these, in the province of Latakia, is already being mined, but other and far richer deposits uncovered in the Djebel Bichri, west of Deir ez Zor, are being exploited to a minor extent only by the Ministry of Public Works. The latter deposits are expected to assume considerable importance in the extensive roadbuilding program the government is planning to undertake. Iron ore, chromite and lead and iron pyrites are known to exist, but their presence in commercial quantities is still to be proved. While licenses for prospecting of are being issued, on the basis of existing evidence it seems unlikely mineral resources exist in sufficient quantities to affect the future of Syria significantly.

Agriculture

Syria is predominantly an agricultural country. Between 65% to 75% 241
 of the people derive their living directly from agriculture, and a con- 242
 siderable portion of the balance earn their livelihood by handling or pro- 433
 cessing agricultural commodities. Agriculture and animal husbandry together probably account for 45% to 50% of the national income. In agriculture, winter crops are most important because rainfall is concen-

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SYRIA AND LEBANON

L of clinics and in the cities a shortage of qualified staff to under-
164 take massage, radiotherapy, and orthopaedics, and there is
744 special need to combat tuberculosis. Syrians and Lebanese are
275 not addicted to hashish which, however, is grown in the Biqaa
and smuggled to Egypt. The Lebanese Government periodically
burns many of the plantations, which inflates the price of the
surviving crop.

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ECONOMIC SURVEY

L More than half the population of the two countries is engaged
433 in agriculture which is the most important economic activity.
Natural resources hardly exist; there is bitumen in Jebel
Bishri in Syria but its production would not be economic; about
10,000 tons a year of asphalt is produced from the neighbour-
hood of Latakia; and salt is extracted in commercial quantities
near Aleppo.

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L Petroleum

• 315 For a number of years, associates of IPC searched for oil in
382 Syria and Lebanon but without finding it in commercial
quantities; in consequence, the areas held by these IPC associ-
ates have been given up. However, the two Governments are
still anxious for further efforts to be made to find oil in com-
mercial quantities. The importance of petroleum in the econo-
my of Syria and Lebanon lies in the situation of the two
republics athwart the pipelines from the fields of northern
Iraq and Saudi Arabia which have outlets on the Mediter-
ranean.¹ From Iraq a 12-inch and 16-inch line carry oil across
Syria by way of Palmyra and Homs to Tripoli in the Lebanon.
Together, these two lines can carry about 8 million tons of
oil a year (160,000 barrels daily). A third IPC line from Kirkuk
to Homs then bears north of the other two and reaches the sea
at Banias, and so does not run through Lebanon at all. This
new line is 26-30-32-inches in diameter and can deliver oil
at about 16 million tons a year (320,000 barrels daily). From
the fields of Saudi Arabia a 30-31 inch American pipeline
(Tapline) travels over 1,000 miles on its way to Sidon in
Lebanon, passing through Jordan and Syria. At present the
line is pumping at a rate of about 15 million tons a year (300,000
barrels daily). It should be noted that these four lines all carry
crude oil, some of which is refined on the Mediterranean shore
for local requirements but the bulk is shipped as crude to the
refineries of Europe and elsewhere.

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L The line from Kirkuk to Haifa is not operating and the Haiaf
382¹ See Appendix IV, p. 570 below.

COTTON IN THE MIDDLE EAST

316 mined since 1914, and sodium chloride and bitumen deposits also are being worked. There is an abundance of good calcareous building stone and basalt.²⁹

433. The most important industries produce flour, olive oil, soap, tanned hides, tobacco products, glass, alcohol, glucose, and textiles. New factories recently constructed include two cottonseed oil mills, two cotton spinning and weaving mills, porcelain and glass factories, and a beet sugar mill. Textiles is the most important single industry from the standpoint of employment and value of production.

315 Unlike many of the other countries in the Middle East, Syria has no oil in commercial quantities. A number of wells have been drilled, but without notable success. A pipeline from Iraq and the Persian Gulf crosses Syria to the Mediterranean, and a new line is being completed to Baniyas on the coast from Iraq. The pipelines provide a source of employment, but they do not produce a large amount of revenue for the government.

Table 22

439 SYRIA: Specified Imports as Per Cent of Total Imports
March 13 through November 31, 1950
Value

Item	1950
	Per Cent
Textile Materials	29.1
Combustible Minerals	18.3
Electric Machinery and Apparatus	18.7
Common Metals	8.3
Precious Stones and Metals	5.8
Animals and Products	5.7
Others	21.8
Total	100.0
Total Value Converted to Millions of Dollars	90

Source: United States Department of Commerce.

Table 23

SYRIA: Imports from Specified Sources as Per Cent of Total Imports
1951
Value

Source	1951
	Per Cent
United States	18.2
United Kingdom	12.5
France	18.4
Lebanon	18.3
Italy	7.9
Germany	5.5
Others	25.9
Total	100.0
Total Value Converted to Millions of Dollars	129

Source: United States Department of Commerce.

²⁹ Development of Food and Agricultural Resources in the Near East, Food and Agriculture Organization of the United Nations, 1961, p. 82.

- 874 conducts an experimental farm, and co-operates with the government in a comprehensive educational program.
- 499 Syria produces a variety of items for export, the principal products being cereals, textiles, vegetables, cotton and wool and hides. It is relatively poor in mineral resources, although rich deposits of asphalt exist in the Nusairiyeh range and salt basins in Aleppo, Homs and Damascus provinces.
- 135 471 Explorations for oil have been made in the northeast under a concession acquired in 1940 by the Syrian Petroleum Company, an affiliate of the Iraq Petroleum group.
- 315 651 After several years of unsuccessful borings, the concession was relinquished, but the country derives some income from pipelines which traverse it, leading from the oil fields in Iraq and Saudi Arabia to Syrian and
- 433 Lebanese ports. Industrial development is slowly emerging from the handicraft stage, and numerous modern plants for the processing of local materials have been established, primarily in Damascus and Aleppo. They include the manufacture of textiles, soaps and oils, cigarettes, various food products, shoes, cement and other consumer goods. The promotion of industry is handicapped, however, by the shortage of raw materials, labor and cheap sources of power.
- 441 The cities and the towns of western Syria are linked with each other and with the adjoining territories by a system of motor roads. Communications in the interior are poor, and consist in many areas of tracks
- 505 across the desert. There are no navigable rivers. Latakia, the chief port, is small, and steamer traffic with the Mediterranean countries is at present conducted largely through Beirut and Tripoli, in Lebanon. The construction of modern port facilities at Latakia is scheduled, however, for 1953.
- 315 505 Baniyas has been developed as the terminal of the new pipeline from the Kirkuk oil fields of the Iraq Petroleum Company to the Mediterranean. It was completed in
- 446 1952. Aleppo is connected by railways with both Beirut and Tripoli, and is an important junction on the trunk line from Istan-